

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2015.

PeaceWise is a charity registered with the Australian Charities and Not-for-profits Commission.

This report is provided as one form of evidence of PeaceWise's awareness of and commitment to compliance with the governance standards set out in the Australian Charities and Not-for-profits Commission Regulation 2014.

Financial result in brief

The net loss of the company for the financial year after providing for income tax amounted to \$24,944 (2014: \$46,143 deficit).

No significant changes in the company's state of affairs occurred during the financial year.

The short and long term objectives of PeaceWise

The pursuit and advancement of the Christian religion through the carrying out, promoting and encouraging of Christian peacemaking together with all things necessary for and incidental to the carrying out of this object.

The strategy for achieving those objectives

The primary ministries of PeaceWise are teaching and training in biblical peacemaking and secondly conciliation using biblical principles with a focus on mediation and conflict coaching. The principles are shared through training courses which operate across the country both at open invitation events and as bespoke training events. Each year, PeaceWise plans ways to expand the breadth of these courses through word of mouth, e-communication, and direct mail promotion.

In addition the conciliation work continues to grow as PeaceWise's reputation is broadly known and as strategic relations are formed within denominational and other ministry leaderships. Considerable energy is devoted to building and strengthening these relationships.

PeaceWise also continues to develop its relationships with Christian schools and has developed training material specifically for these forums. PeaceWise relies deeply on prayer and the leading of the Holy Spirit as an integral part of its decision-making process, and this is coupled with strong board and organisational governance practices. The annual Board retreat is the key planning event at which visioning and strategic planning takes place.

Our principal activities during the year

The carrying out of biblical peacemaking training events in all Australian States and Territories, and the carrying out of multiple mediations and conflict coaching engagements across the country.

How those activities assisted in achieving the objectives

Both the training and conciliation work enable increasing numbers of people to address conflict in a redemptive and constructive way, both in terms of the material and relational issues involved. As all the work of PeaceWise is founded upon the teachings in the Bible and the example of Jesus, these activities frequently bring people into either a renewed or a new relationship with God.

How PeaceWise measures its performance, including any key performance indicators

PeaceWise measures its performance in both material and non-material terms. The measurement of performance in material and financial terms focuses on the following aspects:

1. PeaceWise does not set any target return on equity, as it is a not for profit company limited by guarantee. However, PeaceWise aims to achieve a surplus each year and sees building a stronger balance sheet as foundational to being able to expand the scope of the ministry. This has been achieved each year since establishment in 2007. PeaceWise has a longer term goal of making the National Director role a more fully funded position, as the revenues and balance sheet progressively support this initiative.
2. PeaceWise aims to also build a stronger donor support base each year and to broaden its revenue streams, including increasing revenues from bespoke training events.
3. PeaceWise sets target attendance figures at training events in each venue, and then seeks to encourage attendance against those figures. Enrolments against target attendances (with budget figures attached) is monitored at each board meeting.
4. PeaceWise sets an annual budget each year and manages against this budget. A rolling 18 month cashflow forecasting process has been in place since 2012, which allows the organisation to monitor more closely its monthly and overall performance against budget and to anticipate future expenditures and income more accurately.

Performance in non-material terms relates to how many lives are impacted by the hope-giving work of the ministry, how many relationships are restored, how many people draw closer to Jesus, how many people learn to deal better with conflict in their marriages, workplaces, families and other contexts. PeaceWise values one person coming to faith through the redemptive message of the Gospel more than any financial return we might make during the year.

PEACEWISE LIMITED
ABN 50 125 667 067

The names of each person who has been a director for PeaceWise at any time during or since the end of the year and the period for which the person was a director

Bruce Charles Burgess (Chair)	Full year
Elenne Ford	Full year
Li Ai Gamble	Full year
Geoffrey Paul Bateman	Full year
Jeroen Bruins	Full year
Wendy Konemann	Full year
Hélène van Ruth	10 months (resigned on 23/10/2015)

The qualifications, experience and special responsibilities of each director

Bruce Charles Burgess	BA(Hons) LLB(Hons) MA(Chris.Stud.) MTh. Bruce is a practicing lawyer, is the National Director and, in collaboration with the Board, has overall responsibility for the strategic leadership and direction of the ministry.
Elenne Ford	LLB(Hons)(Buckingham) LLB(Hons)(Qld). Elenne is a practicing barrister and is the Queensland State Director.
Li Ai Gamble	BCom, BJuris, LLB. Li Ai is a lawyer and is the Acting Victorian and Tasmanian State Director.
Geoffrey Paul Bateman	LLB(Hons) Grad Dip in Higher Education, Cert IV in Youth and Community work (Christian), Cert IV in Assessment & Workplace training. Geoffrey has practiced as a lawyer and is presently the CEO of Northern Territory Christian Schools Association. He is our Northern Territory Director.
Jeroen Bruins	Drs. Geology (Free University of Amsterdam). Jeroen is a geologist and a manager of a department in a large public company. He is our Board Chair and Western Australian State Director.
Wendy Konemann	Bachelor Applied Social Science (Aust College of Applied Psychology). She works as a Relationship Counsellor in a church Agency and is the Development Manager of a Charitable Foundation. She is our New South Wales State Director
Hélène van Ruth	B App Sc (OT) Practising Occupational Therapist, Area Advisor for SA for Bible Study Fellowship. She is our South Australian State Director.

Meeting attendance

There were 8 board meetings. The Directors' attendance record was:

Bruce Charles Burgess	6
Elenne Ford	8
Li Ai Gamble	8
Geoffrey Paul Bateman	6
Jeroen Bruins	7
Wendy Konemann	7
Hélène van Ruth	4

Membership liability on a winding up

There is only one class of members.

On a winding up all members would be liable to contribute a total sum of \$10.

Attachments to this report

- Auditors Independence Declaration
- Income Statement
- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes In Equity
- Statement of Cashflows
- Notes
- Directors' Declaration
- Independent Audit Report

Auditor's Independence Declaration

Under section 307C of the Corporations Act 2001

To the Directors of

PeaceWise Limited

ABN 50 125 667 067

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and,
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

OMNIWEALTH ACCOUNTING AND AUDIT

J.K. Sullivan

John Stephens, F C A

Level 22, Australia Square, 264 George Street SYDNEY NSW 2000

Dated this *8th* day of *March*, 2016

PEACEWISE LIMITED
ABN 50 125 667 067

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
Revenue	2	193,067	235,535
Changes in Inventories		-	-
Consumables used	3	(73,005)	(115,549)
Employee benefits expense		(43,420)	(58,436)
Depreciation and Amortisation expenses		(12,989)	(13,964)
Other expenses		(88,597)	(93,729)
Surplus/(deficit) before Income tax expense		(24,944)	(46,143)
Income tax expense		-	-
Surplus/(deficit) for the year		(24,944)	(46,143)
Surplus/(deficit) attributed to members of the company		(24,944)	(46,143)

PEACEWISE LIMITED
ABN 50 125 667 067

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
Surplus/(deficit) for the year		(24,944)	(46,143)
Other comprehensive Income:			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(24,944)	(46,143)
Total comprehensive income attributable to members of the company		(24,944)	(46,143)

PEACEWISE LIMITED
ABN 50 125 667 067

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	103,742	103,385
Trade and other receivables	5	1,791	15,322
Inventories	6	27,925	27,932
TOTAL CURRENT ASSETS		<u>133,458</u>	<u>146,639</u>
NON CURRENT ASSETS			
Property, plant and equipment	7	23,294	33,694
Intangibles	8	16,294	18,883
TOTAL NON-CURRENT ASSETS		<u>39,588</u>	<u>52,577</u>
TOTAL ASSETS		<u>173,046</u>	<u>199,215</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9,10	37,486	38,711
TOTAL CURRENT LIABILITIES		<u>37,486</u>	<u>38,711</u>
TOTAL LIABILITIES		<u>37,486</u>	<u>38,711</u>
NET ASSETS		<u>135,560</u>	<u>160,504</u>
EQUITY			
Retained surpluses		135,560	160,504
TOTAL EQUITY		<u>135,560</u>	<u>160,504</u>

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015

	Retained Earnings \$	Total \$
Balance at 1 January 2014	206,648	206,648
Deficit attributable to the members of the company	(46,143)	(46,143)
Balance at 31 December 2014	<u>160,505</u>	<u>160,505</u>
Balance at 1 January 2015	160,505	160,505
Deficit attributable to the members of the company	(24,944)	(24,944)
Balance at 31 December 2015	<u>135,561</u>	<u>135,561</u>

PEACEWISE LIMITED

ABN 50 125 667 067

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers		205,348	232,673
Payments to suppliers		(207,434)	(298,829)
GST Recovered (Paid)		1,186	1,318
Interest Received		1,257	2,863
Net cash provided by operating activities		<u>357</u>	<u>(61,976)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	14	-	-
Payments for intangibles		-	-
Net cash provided by (used in) investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Proceeds (repayment) from borrowings		-	-
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		357	(61,976)
Cash and cash equivalents at beginning of financial year		103,385	165,361
Cash and cash equivalents at end of financial year	12	<u>103,742</u>	<u>103,385</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

These financial statements cover PeaceWise Ltd as an individual entity. PeaceWise Ltd is a company limited by shares, incorporated and domiciled in Australia.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are special purpose financial statement that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(b) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cashflows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

PEACEWISE LIMITED

ABN 50 125 667 067

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
2. REVENUE AND OTHER INCOME			
Sales revenue:			
Sale of Goods		136,403	180,210
Other Revenue:			
Interest Received	2(a)	1,257	2,863
Donations		43,226	38,955
Grants		5,000	10,000
Miscellaneous Income		7,181	3,507
Total Revenue		193,067	235,535
a. Interest Received From:			
Other Corporations		1,257	2,863
3. PROFIT FOR THE YEAR			
Expenses:			
Cost of Sales		73,005	115,549
4. CASH AND CASH EQUIVALENTS			
Cash at Bank – PeaceWise Cheque Account		76,643	87,163
Cash at Bank – Supporters Account		18,445	10,303
Cash at Bank – Trust Account		8,628	5,819
Petty Cash		26	100
		103,742	103,385
5. TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade Debtors		1,379	10,302
Grants Receivable and Prepayments		412	5,020
Goods and Services Tax		-	-
		1,791	15,322
6. INVENTORIES			
At cost:			
Stock on Hand		27,925	27,932

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
7. PROPERTY, PLANT AND EQUIPMENT			
Office Furniture and equipment		74,507	74,508
Less Accumulated depreciation		(51,213)	(40,814)
Total property, plant and equipment		23,294	33,694
a. Movement in carrying amounts			
For disclosure on movement in carrying amounts please refer to note 14 in the end of this financial report.			
8. INTANGIBLE ASSETS			
Patents and trademarks		29,160	29,160
Less Accumulated amortisation and impairment		(12,866)	(10,277)
		16,294	18,883
Reconciliation of patents and trademarks			
Balance at beginning of year		18,883	21,471
Additions		-	-
Disposals		-	-
Amortisation charge		(2,589)	(2,588)
Impairment losses		-	-
Closing carrying value at 31 December		16,294	18,883
Impairment Disclosures			
The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 10-year period with the period extending beyond five years is extrapolated using an estimated growth rate. The cash flows are discounted using the yield of 10-year government bonds at the end of the period.			
9. TRADE AND OTHER PAYABLES			
CURRENT			
Trade Creditors		7,789	13,143
Training Revenue in Advance		3,395	9,785
Mediation Deposits		26,969	13,618
PAYG and Superannuation Payable		762	4,780
Goods & Services Tax		(1,429)	(2,615)
		37,486	38,711

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 \$	2014 \$
10. OTHER LIABILITIES			
CURRENT			
Income in Advance		30,364	23,403

11. COMPANY DETAILS

The registered office of the company is:
PeaceWise Ltd
Level 22, Australia Square, 264 George Street
Sydney NSW 2000

The principal place of business is:
PeaceWise Ltd
Unit 5215
82-84 Belmore Street
Meadowbank NSW 2114

12. CASH FLOW INFORMATION

a. Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

Cash at Bank	103,742	103,385
b. Reconciliation of cash flow from operations with surplus/(deficit)		
Profit after income tax	(24,944)	(46,143)
Non-cash flows in profit:		
Depreciation	10,400	11,376
Amortisation	2,589	2,588
Changes in Assets and Liabilities:		
Trade Debtors	13,531	(9,449)
Inventory	7	(9,502)
Fixed Assets	-	-
Trade Creditors	(5,354)	(2,910)
GST Clearing	1,186	(2,377)
Other creditors and accruals	2,942	4,780
Unearned income	-	(5,319)
Cash flows from operating activities	357	(61,976)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

13. MOVEMENT IN CARRYING AMOUNTS

Movement in carrying amounts for each class of property, plant and equipment.

	Office furniture & equipment \$	Total \$
Balance at 1 January 2014	45,069	45,069
Additions	-	-
Depreciation expense	(11,376)	(11,376)
Carrying amount at 31 December 2014	33,693	33,693
Additions	-	-
Sales	-	-
Depreciation expense	(10,400)	(10,400)
Carrying amount at 31 December 2015	23,293	23,293

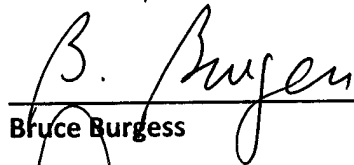
DIRECTORS' DECLARATION

The Directors of the company declare that:

1. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
2. In the directors' opinion, the financial statement and notes are in accordance with the Corporations Law including the compliance with accounting standards and give a true and fair view of the financial position and performance of the company.


This declaration is made in accordance with a resolution of the Board of Directors.

Director



Bruce Burgess

Director



Elenne Ford

Dated:

10th March 2016

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
PEACEWISE LIMITED
A.B.N. 50 125 667 067**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Peacewise Limited, which comprises the balance sheet as at 31st December 2015 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the financial reporting requirements of the company's constitution. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

PEACEWISE LIMITED
ABN 50 125 667 067

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the position of Peacewise Limited as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including Australian Accounting Interpretations).

OMNIWEALTH ACCOUNTING AND AUDIT

J.K. Mill

John Stephens, F C A

Level 22, Australia Square, 264 George Street SYDNEY NSW 2000

Dated this *8th* day of *March*, 2016